



Department of Justice

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Southern District of Indiana**

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HOGSETT ANNOUNCES TAX, WIRE FRAUD CHARGES AGAINST JOHNSON COUNTY-AREA WOMAN

Office manager of Edinburgh business alleged to have stolen more than \$2 million

PRESS RELEASE

FRANKLIN – Earlier this year, Joseph H. Hogsett, the United States Attorney, pledged that the investigation and prosecution of white collar and financial fraud cases would be a priority of his office in 2012. In July of this year, that initiative resulted in the filing of charges against Todd Van Natta, a Columbus-area resident. One month ago, Tim Durham and two others received record-length sentences as a result of a multi-million dollar white collar fraud case believed to be the largest in state history.

Today, Hogsett announced more results in this ongoing effort. Specifically, Gail Greathouse, age 57, of Columbus, has been charged by a six count Information with defrauding an Edinburgh business of more than \$2 million over a five year period. In addition, Greathouse has been charged with filing a false tax return, grossly understating her earned income for the year.

“Earlier this year, we gave notice to those in Hoosier communities who continue to seek personal fortune through schemes, lies, and the misfortune of others that their time was up,” Hogsett said. “Since then, we’ve kept that promise, and today’s announcement is yet another warning that our office is serious about ending this state’s culture of corruption.”

According to court documents, Greathouse was employed as an office manager and bookkeeper with LB Mold, Inc., an industrial molding company located in Edinburgh. In this role, Greathouse was not authorized to sign checks drawn on LB Mold’s business accounts except in cases of emergency. During this same period of time, Greathouse also served as the Chief Financial Officer (CFO) of a business named DR Thompson Enterprises, a Columbus-based automotive repair and restoration company that was operated with the defendant’s daughter and son-in-law.

Beginning in 2005, and continuing through August 5, 2010, it is alleged that Greathouse engaged in a scheme to defraud LB Mold by stealing and embezzling approximately \$2,139,172 from the company's business accounts. This was allegedly done through unauthorized purchases on company credit cards, the issuance of unauthorized checks written against company bank accounts, and the use of unauthorized wire transfers to use business bank accounts to pay for personal credit card debts.

It is further alleged that some of these unauthorized wire transfers and checks were used to deposit money into bank accounts in the name of DR Thompson Enterprises and Blackwolf Performance. The Information alleges that, among other purchases, these funds were used on things such as cellular telephone bills, college tuition payments for the defendant's relatives, and other personal expenses.

All told, the amount of fraud alleged over each of the five years is as follows:

2005: \$327,824.37

2006: \$519,506.55

2007: \$472,198.48

2008: \$319,583.92

2009: \$75,685.36

2010: \$74,537.31

According to Assistant U.S. Attorney Matthew J. Rinka, who is prosecuting the case for the government, Greathouse has petitioned the U.S. District Court to enter a plea of guilty to all seven counts of the Information. If accepted by a U.S. District Judge, Greathouse faces up to 20 years and a \$250,000 fine on each count of wire fraud, as well as up to 3 years in prison if found guilty of preparing a false income tax return in 2006.

The indictment also indicates that, if convicted, the federal government will seek to seize Greathouse's assets that were attained through criminal activity. This prosecution was the result of a collaborative investigation involving the United States Secret Service, the Internal Revenue Service, as well as the Indiana State Police.

An indictment or information is only a charge and is not evidence of guilt. All defendants are presumed innocent and are entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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